

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 07361 181522Z

65

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 PA-01

PRS-01 /094 W

----- 114587

R 181253Z JUL 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 9488

INFO AMEMBASSY PORT OF SPAIN

AMCONSUL CURACAO

LIMITED OFFICIAL USE CARACAS 7361

E.O. 11652: N/A

TAGS: PINT ENRG VE

SUBJECT: CHAMBER OF DEPUTIES APPROVES OIL NATIONALIZATION

BILL UPON FIRST READING

REF: CARACAS 7052

1. THE CHAMBER OF DEPUTIES APPROVED JULY 16 THE FIRST READING OF THE VENEZUELAN OIL NATIONALIZATION BILL. THE BILL RETURNS JULY 17 TO THE CHAMBER'S MINES COMMITTEE FOR CONSIDERATION OF SUGGESTIONS MADE CONCERNING SOME ARTICLES DURING THE CHAMBER'S DEBATE. THE CHAMBER IS SCHEDULED TO BEGIN THE BILL'S SECOND READING JULY 21.

2. FOLLOWING APPROVAL OF THE CONTROVERSIAL ARTICLE 5 JULY 9 (REFTEL), THE CHAMBER COMPLETED ACTION ON THE BILL'S REMAINING 22 ARTICLES IN ONLY 3 SESSIONS. THE DEPUTIES HURRIED IN ORDER TO COMPLETE THE FIRST READING BY JULY 17, THE OPENING DAY OF THE NATIONAL CONVENTION OF THE GOVERNING ACCION DEMOCRATICA

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 07361 181522Z

PARTY. SINCE NONE OF THE REMAINING ARTICLES WAS PARTICULARLY

CONTROVERSIAL, THE MAJORITY WERE APPROVED WITHOUT DEBATE.

3. ONLY ARTICLES 12 AND 15, CONCERNING INDEMNIFICATION OF THE OIL COMPANIES FOLLOWING NATIONALIZATION, GENERATED MUCH INTEREST. THE MARXIST MIR SUPPORTED A RECOMMENDATION MADE THIS WEEK BY THE FEDERATION OF PUBLIC ACCOUNTANTS THAT NO INDEMNIFICATION SHOULD BE PAID BECAUSE OF THE OIL COMPANIES' ALLEGED EXTRACTION OF 120 MILLION BARRELS OF OIL IN EXCESS OF THE LEVELS PERMITTED BY THEIR CONCESSIONS. ONLY THE COMMUNIST PARTY JOINED MIR IN REJECTING INDEMNIFICATION. THE OTHER PARTIES, INCLUDING THE SOCIALIST MAS AND MEP, AGREE THAT INDEMNIFICATION IS REQUIRED BY ARTICLES 101 AND 102 OF THE VENEZUELAN CONSTITUTION.

4. AT THE CONCLUSION OF THE FIRST READING, ACCION DEMOCRATICA WAS SUPPORTED ONLY BY THE MINISCULE CCN, WHILE THE OTHER OPPOSITION PARTIES EXPRESSED THEIR DISAGREEMENTS WITH THE BILL FOR VARIOUS REASONS. NO VOTE WAS TAKEN, BUT THE MEASURE WAS DECLARED APPROVED ON THE STRENGTH OF A SHOW OF HANDS BY AD AND THE CCN.

5. MINISTER OF MINES VALENTIN HERNANDEZ HAS REVEALED THAT THE ADMINISTRATION PLANS TO SEEK ADDITIONAL CHANGES IN THE NATIONALIZATION BILL DURING ITS CONSIDERATION BY THE SENATE. HERNANDEZ WILL PRESENT TO THE SENATE MINES COMMITTEE PROPOSED CHANGES AIMED AT CORRECTING CERTAIN OMISSIONS IN THE ADMINISTRATION'S ORIGINAL BILL HAVING TO DO WITH THE EXECUTION OF NATIONALIZATION AND THE CREATION OF THE HOLDING COMPANY, PETROVEN, FOR THE NATIONALIZED INDUSTRY. HERNANDEZ ALSO ANNOUNCED THAT A PANEL OF DISTINGUISHED VENEZUELANS WILL BE APPOINTED TO ADVISE THE MINISTRY CONCERNING THE AMOUNT OF INDEMNIFICATION TO BE PAID THE OIL COMPANIES.

6. COMMENT: DEBATE IS EXPECTED TO BE BRIEF DURING THE CHAMBER OF DEPUTIES' SECOND READING OF THE NATIONALIZATION BILL. THE CHAMBER HOPES TO COMPLETE ACTION ON THE BILL NEXT WEEK AND SEND IT TO THE SENATE ON JULY 23. AS IN THE LOWER HOUSE, THE BILL IN THE SENATE MUST PASS THROUGH COMMITTEE AND TWO READINGS. IT NOW APPEARS THE LAW WILL FINALLY BE PASSED BY THE VENEZUELAN CONGRESS IN EARLY AUGUST.

SHLAUDEMAN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CARACA 07361 181522Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PETROLEUM INDUSTRY, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchant0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CARACA07361
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750249-0683
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750739/aaaabiwf.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 CARACAS 7052
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2003 by KelleyW0>; APPROVED <22 DEC 2003 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHAMBER OF DEPUTIES APPROVES OIL NATIONALIZATION BILL UPON FIRST READING
TAGS: PINT, ENRG, VE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006